

**MINUTES OF THE  
BOARD OF BUSINESS AND ECONOMIC DEVELOPMENT  
September 9, 2004 Meeting**

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<b>Members Present:</b>	Mark Howell, Barbara Zimonja, Karen Alvey, Richard Nelson, Debra Tanzi, Cliff White, David Simmons, Bill Boyle, Ted Smith, and Kenneth Woolley
<b>Members Absent:</b>	Joel Bradford, Jerry Oldroyd, Dell Loy Hansen, Jane Shock and Ed Ekstrom.
<b>Visitors:</b>	Brad Baird EDCU, Lesley Mitchell, Salt Lake Tribune, Brice Wallace, Deseret Morning News, Suzanne Winters, Battelle, Jerrold Jensen, Attorney General Office,
<b>Staff:</b>	Marian Hein, Tracie Cayford, Tamee Roberts, Lisa Howe, Mark Renda, Kelly Day, Connie Gates, Jeff Gochnour, Rod Linton, Leigh Von der Esch, Ron Richins,

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**Welcome**

Chairman David Simmons welcomed the DBED Board, staff, and guests and asked for a motion to approve the August 20, 2004 minutes.

**MOTION: Barbara Zimonja moved and Mark Howell seconded the motion to approve the minutes. Motion carried.**

**Miller Business Innovation Center Presentation**

Linda Archibald gave a company overview of the Miller Business Innovation Center with a PowerPoint presentation. Its mission is to create a resource rich environment where entrepreneurs, educators, and students can collaborate, prosper and build viable, self-sustaining businesses that augment Utah's economy and foster job creation. It is a 501C3 non-profit organization structured under Salt Lake Community College offering commercial office space, conference & training rooms, workstations, IT infrastructure & support, communications, administrative support and entrepreneurial resources. Packets with company information were given to everyone.

**Proposed Resolution**

David Simmons mentioned that during the IAF Committee meeting, Kenneth Woolley brought up an item regarding the positive news announced late yesterday about Delta Airlines deciding to keep the SLC hub and add additional flights. Because this is such a significant economic development issue that has surfaced this year, Mr. Simmons wrote a proposed resolution on behalf of the Board. The proposed resolution was read to the group (attachment) and will be formatted and presented to Delta Airlines by Jeff Gochnour.

**MOTION: David Simmons motioned to approve the resolution; Ted Smith seconded the motion; the group unanimously approved the motion.**

**Committee Reports**

*Incentives Committee*

Barbara Zimonja explained that three items approved in the last Board meeting had been slightly changed and moved to approve each as follows: (changes are underlined)

**MOTION: To approve for The World's Fastest Indian Entertainment Inc. a film production incentive rebate of dollars left in the state per the schedule already adopted by the Board, not to exceed 12% if The World's Fastest Indian contains Utah content and dollars left in state equals at least 60% of total project budget. Total dollar amount for the rebate not to exceed \$500,000.**

**MOTION: To approve for Kaleidoscope—The Impossible Dream a film production incentive rebate of dollars left in the state per the schedule already adopted by the Board, not to exceed 12% if Kaleidoscope—The Impossible Dream contains Utah content and dollars left in the state equals at least 60% of total project budget. Total dollar amount for the rebate not to exceed \$250,000.**

**MOTION: To approve for Salt Mill—Dark Matter a film production incentive rebate of dollars left in the state per the schedule already adopted by the Board, not to exceed 12% if Dark Matter contains Utah content and dollars left in state equals at least 60% of total project budget. Total dollar amount for the rebate not to exceed \$250,000. Barbara Zimonja moved to approve the changes in all three motions; Mark Howell seconded; motion carried.**

### *Business Development*

Debra Tanzi reported that last month the Board approved combining Best Practices and Business Development Committees, so next month they will have their first combined meeting with all members.

Dave Simmons mentioned a brief discussion in the last meeting regarding a resolution related to the fund of funds and asked Dave Harmer to report. Mr. Harmer explained that the implementation of the fund of funds act has been delayed because of constitutional issues raised by the State Auditor (lending of the State's credit). This will have to be settled in a final court to have them rule on the constitutionality of the act. In the process of working on the implementation of the act, there have been a number of things that need to be changed to make it work more efficiently. One of the changes from the original act is the contingent tax credit needs to be a refundable contingent tax credit. We are encouraging the Governor to put this on call for the special session, with the idea that the DBED Board pass the resolution to encourage the Governor to include this issue.

**MOTION: Dave Simmons asked the Board if they would support a resolution to bring the matter up to the special session. Ken Woolley moved; Mark Howell seconded. Motion carried.**

### **Technology Maturation Issue**

Barbara Zimonja gave a brief overview of the Technology Maturation issue. The IAF Board discussed Battelle and the Iso Truss issues and their relationship to one time funding for a technology maturation center. What is put into the Centers of Excellence, the outcome is some technology but before it can be commercialized, it has to be designed and manufactured. The middle section of putting the whole thing together is what the Board discussed, how to do it and how to get to that point. The biggest issue is who is going to fund it, in addition to the State. So far, there is no one willing to add to the pot. Brigham Young University will be the receiver of the licensing dollars, once this is accomplished. The issue is how to get other institutions to put up dollars and get this off the ground. Dave Simmons added, that primarily focusing on a policy issue of the Technology Maturation Center is the key issue and the Board should feel comfortable with the Incentives Committee then taking a piece of this. This issue is an extension of the Centers of Excellence. The Technology Maturation Center is a way to take a Center's project and further support it and get it to a point where it can become commercially viable. Suzanne Winters explained, that there needs to be a coordinated strategy that says this is where we want to spend the dollars to get the biggest bang for the buck. Putting dollars into High Technology Business Development is the key thing that any state can do. Many other states have developed strategic plans to address this issue. We are competing with those states. Dave Simmons raised the question why shouldn't the Centers of Excellence Program be doing this right now. Ms. Winters explained the Centers of Excellence money cannot go anywhere but the Universities as they cannot do product development.

### **Division Reports**

Jeff Gochnour gave the following update on DBED program activities:

#### *Bear*

#### *Rural Development*

- The Utah Rural Summit, which was held in Cedar City August 11-13 included an award given to the Smart Site Program was for outstanding achievement in rural development. They announced at the time, that 1,000 jobs have been created in the Smart Sites.
- A rural action agenda was developed in the Utah Rural Summit through legislation that was passed this year there was the creation of the Office of Rural Development in DBED headed by Ed Meyer. They are working with the Governor's Rural Partnership Board in developing that rural agenda. Bill Boyle serves on that Board in a position that he can represent both DBED and the rural development board.
- In Richfield this past month, there was the Central Utah Economic Development Summit, which we participated in.

#### *Centers of Excellence*

- We continue to have an intern on board who is working to develop an historical record of the Centers of Excellence Program to determine how many companies have been created, and how many jobs have been created. This intern is helping to quantify success in the Centers Program.
- The Governor is having her medals for Science and Technology award luncheon today. Ten medals will be awarded in science education, industry, government, and special categories. Mike Keene has been heavily involved in this effort.
- Mike is working very hard to try and bring the Association of Space Explorers Conference to SLC. The membership consists of those people who have actually been in orbit in outer space. The last time it was held in the USA was in 1992. There are approximately 100 members.

#### *Film Commission*

- The film industry continues work with the Legislative task force to determine what incentives might be appropriate to put in place. There are currently four films projects being filmed in the State and there were two who films that scouted Utah this past month for a potential location.

#### *National*

- Last month several DBED staff went to Memphis to try to recruit a large aerospace company to our State. We were utilizing potential dollars from the aerospace and aviation development zone. We made our presentation, but they were interested in three other states with packages approximating \$500M. We were at about \$280M, so we likely are not on the short list.
- We are working on the development of an Aerospace Industry Association. A meeting was held earlier this week with other Associations to talk about how to set up this Association. There were representatives from ATK, and other large aerospace employers in the State present.
- In terms of marketing the State, we are working on advertisements that are testimonials from companies that have located here. We had a photo shoot with Seybold systems to put together an ad to tout why they chose Utah. It lends third party credibility to our message.

#### *International*

- Tina Lewis led a trade mission to Vera Cruz, Mexico with Governor Walker. An interesting thing that came out of it was Sorenson Genomics was with them and were able to do some DNA testing of a tribe in the mountains of Vera Cruz.
- We leave in two weeks for the trade mission to Santiago, Chile, and Sao Paulo Brazil. We are in the final stages of planning the Moscow Trade Mission in conjunction with the Utah Jazz playing the Moscow team. There are a couple of slots available for others to go with the existing twelve businesses.
- Fall Trade Missions and Dates: Veracruz – August 22-24, Santiago / Sao Paulo – September 19-25, Moscow – October 5-9, Taiwan / Hong Kong – October 8-16, Saarbrücken / Brussels – October 16-23.
- International hosted groups from Korea, Moldova, Belgium, and the Maldives this month.
- The Harvard University Kennedy School of Management, China leaders and Development Program came to Utah for the second year. Private Utah companies sponsored the cost of the trip. There were 55 Chinese government leaders, and Governor Walker who participated in a reception DBED helped sponsor.

Dave Simmons added that he was able to participate in Scotland in some activities put on by Scottish Power. He attended some meetings discussing Scottish economic development initiatives. A member of the Scottish Parliament who comes to SLC occasionally was invited to make a presentation to the DBED Board.

Chairman Simmons congratulated Kenneth Woolley and his company ExtraSpace on a recent initial public offering. It was the largest public offering ever in the State of Utah. They are a newly listed company on the NYSE and are one of five Utah companies listed.

October 14, 2004 Agenda:  
Approval of September 9, 2004 minutes  
Rural Partnership Board/Bill Boyle  
Committee Reports  
Division Report

With no further business to take care, Chairman Simmons adjourned the meeting.